

**CHAPTER NO. 671**

**SENATE BILL NO. 3667**

**By Fowler**

**Substituted for: House Bill No. 2603**

**By Russell Johnson**

AN ACT to amend Tennessee Code Annotated, Title 47, Chapter 18 and Title 66, Chapter 5, relative to sales of residences.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 47-18-104(b), is amended by adding the following language as a new, appropriately designated subdivision:

( ) (A) Knowingly advertising or marketing for sale a residence as having more bedrooms than are permitted by the residence's subsurface sewage disposal system permit, as defined in § 68-221-402, unless prior to the execution of any sales agreement the permitted number of bedrooms is disclosed in writing to the buyer.

(B) If a residence is marketed for sale as having more bedrooms than are permitted by the subsurface sewage disposal system permit and no disclosure of the actual number of bedrooms permitted occurs prior to the execution of a sales agreement, then the buyer shall have the right to rescind the sales agreement and may recover treble damages as provided in § 47-18-109.

(C) A subsurface sewage disposal system permit issued in the name of the owner of the residence shall serve as constructive notice to that owner of the residence and that owner's real estate agent for the purpose of establishing knowledge as to the number of bedrooms of the residence for the purpose of finding a violation of this subdivision.

SECTION 2. This act shall take effect July 1, 2006, the public welfare requiring it.

PASSED: May 3, 2006

  
JOHN S. WILDER  
SPEAKER OF THE SENATE

  
JIMMY NAIFEH, SPEAKER  
HOUSE OF REPRESENTATIVES

APPROVED this 15<sup>th</sup> day of May 2006

  
PHIL BREDESEN, GOVERNOR